



CONSUMER NEWS

PAUL J. PFINGST, DISTRICT ATTORNEY

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Consumer Tid-Bits

The Better Business Bureau and Electronic Commerce Promotion Council (ECOM) of Japan have jointly launched a system to assist consumers and merchants in resolving disputes.

The BBB has offered complaint mediation and assistance online for consumers since 1995. However consumers have only been able to file complaints involving business located in the United States, Canada, and a few cities in northern Mexico. Under this new partnership the BBB will handle complaints by Japanese consumers against businesses located in the United States, Canada and Mexico, while ECOM will perform a reciprocal service for U.S. and Canadian consumers against merchants located in Japan. Consumers in the United States can still file their complaints online at www.bbb.org. When asked where the business is located consumers should check the "other" box. If the complaint involves a business in Japan, consumers will be hyperlinked to another complaint

form for ECON. If the business is located in another country consumers are sent to www.econsumer.gov where the consumer can share the complaint with consumer protection agencies in several other countries.

This is an important step as e-business becomes an ever more popular means of purchasing goods and services.

Anyone who has dealt with a collection agency in the past knows that sometimes these transactions turn ugly. The agency notifies the consumer that money is owed but if the consumer disputes the facts, it can quickly escalate into a heated confrontation.

This is especially true if the consumer insists that the debt was already paid, or that the collection agency is going after the wrong person.

Disputes with a collection agency usually need to be handled via a private legal action in small claims court if the disputed amount is under \$5,000.00, or with the assistance

of an attorney if the amount is greater. The only time an interaction with a collection agency becomes a police matter is if the agency threatens the debtor's life and/or safety (e.g. "Pay us or we break your legs.")

But what about the abusive and harassing phone calls? These may be impossible to prove because the collector will deny it and generally there are no other witnesses to the call.

Is it legal for a consumer to tape record a telephone call from a debt collector in order to reduce the abuse, and obtain permissible evidence if needed? All of the states have criminal eavesdropping laws in place. Some states require consent from only one party, while others require consent from both. California requires consent from BOTH participants in the conversation, or at least notice that the conversation is being recorded by one party.

Businesses with customer service hotlines, such as banks,

usually play a recorded message advising customers that the “conversation may be monitored or recorded for quality assurance purposes.” This is enough. Therefore, if you want to record the abusive phone call from a debt collector, you must announce to him/her, in the beginning of the phone call that you will record it. Make sure to record your announcement. After this the other party will have notice. He/she can then choose to continue the phone call, or hang up.

Are you interested in keeping informed of pending legislation that impacts consumers this year?

The following bills may interest you: SB1383, AB269, AB2939, AB2504, SB1997, SB1563, AB1124, SB773 and SB500.

For more in depth information visit the Senate website at www.sen.ca.gov. Bills proposed by both the Senate and Assembly are listed.

Did you know that most of the Senators will accept email feedback regarding their pending legislation? Just click on the Senators name and you will be taken to their biography page. You can find out who your Senator is and have your voice heard!

Magnetic Mattress Pads are a Scam. The Attorney General and Department of Consumer Affairs have issued a warning to consumers about magnetic mattress pads. People selling these magnetic

mattresses and pads are making unsubstantiated claims regarding the healing properties of their product. The sales pitch is geared to the elderly promising pain relief from arthritis and improvement of circulatory problems. These claims are false. Don't waste your money. The companies try to assure consumers by offering a “money-back guarantee” but as soon as complaints start coming in, the companies close their doors. This leaves consumers with a very expensive magnet that doesn't cure anything, and no way to get their money back. If you have a complaint regarding one of these companies call the Department of Consumer Affairs at 1-800-952-5210.

MCI agrees to pay \$8.5 million in penalties and costs.

MCI long distance telephone service provider was successfully sued by the PUC and the Attorney General's Office in July 2000, after an investigation of thousands of consumer complaints alleging slamming and cramming. “Slamming” involves changing long-distance service providers without the customer's permission or through deception; and “cramming” is the practice of billing consumers for add-on services that were not authorized. While MCI states that this settlement is not an admission of guilt, the company has agreed to pay the \$8.5 million in penalties and investigative costs.

Wonder Bread isn't brain food.

Wonder Bread settled charges with the Federal Trade Commission regarding their Professor Wonder television advertisements in which the fictional spokesperson made claims that “as a good source of calcium, Wonder Bread helps children's minds work better, and helps their memory.” The FTC alleged that the company could not adequately substantiate claims that Wonder Bread containing added calcium could improve children's brain function and memory. The settlement prohibits the company from claiming that any bread product or any of its ingredients help brain function or memory, or can treat, cure or prevent any disease or health condition, unless it has reliable scientific substantiation for the claims.

For more information on this settlement or if you are interested in other FTC actions visit the website at www.ftc.gov

The San Diego Office of the Department of Consumer Affairs would like to hear from consumers who purchased pre-need cremation services from **CARING CREMATIONS**. The phone number is (858) 637-7120 and the website is www.dca.ca.gov

FREE FRAUD SEMINAR!

SCAMJAM 2002 is Saturday June 8, 2002. FREE breakfast and lunch are included. **RESERVATIONS ARE REQUIRED** so call (858)637-6199, for more information.

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